

LEGAL NOTICE

and

Preliminary Determination for an Air Quality Permit for

Agave Energy Company

Agave Energy Company, 105 South Fourth St, Artesia, NM has submitted an air quality permit application to the Air Quality Bureau (AQB), New Mexico Environment Department (NMED) for an air quality permit to construct/modify Agave - Palo Duro Gas Processing Facility. The application file has been assigned Permit No. 4298-M2 and TEMPO Agency Interest ID No. 29800. The exact location of the facility is/will be at latitude 32 deg, 15 min, 35 sec and longitude -104 deg, 9 min, 17 sec. To aid in locating this facility, the approximate location is 3.5 miles SW of Loving in Eddy County, NM.

The proposed modification will consist of the addition of a system to remove hydrogen sulfide (H₂S) from the acid gas the facility plans to process in the future.

Total air pollutant emissions to the atmosphere are estimated to be approximately Nitrogen Oxides (NO_x) at 9.1 tons per year (tpy); Carbon Monoxide (CO) at 8.6 tpy; Volatile Organic Compounds (VOC) at 86.3 tpy; Sulfur Dioxide (SO₂) at 3.0 tpy; Total Suspended Particulate Matter (TSP) at 0.65 tpy, Particulate Matter 10 microns or less (PM₁₀) at 0.65 tpy, and Particulate Matter 2.5 microns or less (PM_{2.5}) at 0.65 tpy, Hydrogen Sulfide (H₂S) at 9.95 tpy, and Total Hazardous Air Pollutants (HAP) at 11.3 tpy. These emission estimates could change slightly during the course of the Department's review of the application.

The NMED has conducted a preliminary review of the information submitted with the permit application. The preliminary review and applicant's analysis of ambient air quality impacts indicates that the facility's air emissions will meet the ambient air quality standards for NO_x, CO, SO₂, TSP, PM₁₀ and PM_{2.5}, and H₂S. A full review will evaluate the estimated emission rates for the pollutants listed above and the air quality analysis to determine compliance with the associated ambient air standards and requirements.

Based on the applicant's analysis, a preliminary determination is that this facility will comply with the requirements of Title 20, New Mexico Administrative Code (NMAC), Chapter 2, Parts 3, 35, 37, 38, 72, 73, 75, 77 and 82; 40 CFR 50; 40 CFR 60 Subparts KKK; 40 CFR 63 Subpart HH; and the New Mexico Air Quality Control Act. Therefore, the preliminary intent of NMED is to issue the air quality permit on or before October 30, 2012. This source is a minor source according to 20.2.74 NMAC, PSD.

To ensure compliance with state and federal air regulations, the permit is expected to include conditions that limit the emissions, hours of operation, and production rate, and conditions that will require record keeping and reporting to the Department.

The permit application is available for review in electronic or hard copy at the Air Quality Bureau Office, 1301 Siler Road, Building B, Santa Fe, New Mexico. To arrange viewing of this application contact Teri Waldron, at 505-476-4355 or teri.waldron@state.nm.us. The permit application is also available at the NMED Carlsbad Office, located at 406 N. Guadalupe, Suite C, Carlsbad, NM 88220 for public review.

All interested persons have thirty (30) days from the date this notice is published, to notify the Department in writing of their interest in the permit application. The written comments should refer to the company name, site name and Permit No. (or send a copy of this notice along with your comments). The written comments shall state the nature of the issues raised and how it relates to the requirements of applicable state and federal air quality regulations and the Clean Air Act. The written comments should

be mailed to Mary Gerhart, New Mexico Environment Dept., Air Quality Bureau, Permit Section, 1301 Siler Road, Building B, Santa Fe, New Mexico 87507-3113.

The Department will notify all persons, who have provided written comments, as to when and where the Department's analysis may be reviewed. Although all written comments will be made part of the public record, any person who does not express interest in writing prior to the end of this first thirty (30) day period will not receive such notification.

If the Department receives written public comment prior to the end of the Department's thirty (30) day public notice, the Department's analysis will be made available for review for thirty (30) days at the NMED district or field office nearest to the source before the permit will be issued. Written comments on the analysis or permit application may be submitted to the Department during this second thirty (30) day period or at any time before the permit is issued or denied.

Questions or comments not intended to be part of the public record can be directed to Mary Gerhart at 505-476-4344. General information about air quality and the permitting process can be found at the Air Quality Bureau's web site. The regulation dealing with public participation in the permit review process is 20.2.72.206 NMAC. This regulation can be found in the "Permits" section of this web site.